BRITISH COLUMBIA

BC STATS

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Current Statistics ◆ October 2006

- **The value of building permits issued by BC municipalities was up 5.8% (*seasonally adjusted*) in August, ending its two-month downturn.** The increase was due to an upsurge in planned activity in the residential sector (+11.4%), which offset a decrease in non-residential permits (-4.1%). Permits for industrial buildings were up substantially (+62.5%), while the value of permits issued for commercial (-12.4%) and institutional and government buildings (-0.2%) projects were down.

  Although permits were up in August, the increase was localized to the Vancouver and Abbotsford areas, where building intentions jumped 33.8% and 65.3%, respectively. Victoria (-40.5%) posted a significant decline. Vancouver accounted for nearly two thirds of the total value of building permits issued in August.

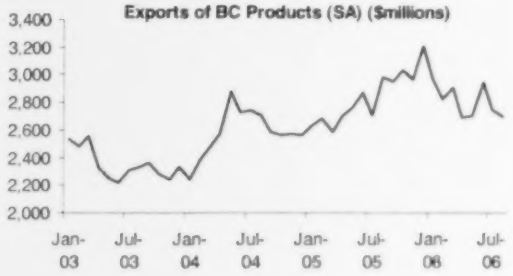
  Canadian permits were up 8.3%, as declines in Manitoba (-33.9%) and Saskatchewan (-40.1%) were offset by increased activity in all other provinces. The value of permits issued in Canada's non-residential sector jumped 14.2% in August and permits for residential projects were up (+5.0%).

  Data Source: Statistics Canada

- **Exports of BC products slipped (-1.9%, *seasonally adjusted*) in August, following a 6.7% decline in July.** A 14.7% slump in exports of industrial and consumer products helped drive overall exports down, and shipments of machinery and auto equipment (-2.0%) and agriculture and fish products (-0.3%) also decreased. Increases in the value of shipments of forest (+2.8%) and energy (+1.0%) products were not able to offset the declines.

  Exports to the US were down 1.5% mostly due to a decline in the value of energy shipments (-5.0%), although industrial and consumer products (-2.5%) and machinery and auto equipment (-1.4%) also dropped. Despite increases in the value of overseas shipments of energy (+11.8%) and forestry (+7.4%) products, exports to destinations other than the US were also lower (-2.5%), reflecting downturns across three other major commodity groups.

  At the national level, goods exports inched up 0.3% in August. Energy (-2.2%) and machinery and equipment (-1.2%) were among commodities pulling exports down. However, solid increases in shipments of automotive (+2.6%), industrial (+2.8%) and agriculture and fishing (+3.2%) products were just enough to offset the declines. Canadian exports to the US (-0.8%) decreased slightly in August, but commodities sent to the European Union (+2.1%) and Japan (+13.8%) were up considerably. *Data Source: Statistics Canada & BC Stats*



- **British Columbia's unemployment rate remained at 4.8% (*seasonally adjusted*) in September, unchanged from August as both the number of jobs and the number of people who were either working or looking for work edged up 0.3%.** BC's unemployment rate remained well below the national average of 6.4%, marginally higher than that of Manitoba (4.4%) and Saskatchewan (4.3%), but

significantly above Alberta's 3.5% jobless rate. The low unemployment rates in the western provinces reflect the shortage of labour in Western Canada, particularly in Alberta.

Data Source: Statistics Canada

- **Housing starts in the province showed continued volatility in September, posting a 1.2% increase (*seasonally adjusted*) following a 19.2% dip in August.** Canadian starts were down 2.4% as new home building activity dropped off in both Quebec (-9.0%) and Ontario (-3.9%). Starts were erratic in the rest of the country, with gains in other provinces ranging from 0.6% in Alberta to 29.0% in Saskatachewan, and significant declines seen in Manitoba (-19.2%) and PEI (-61.5%). *Data Source: Statistics Canada*

- **British Columbia's year-over-year inflation rate fell to 1.0% in September, as the all-items Consumer Price Index (CPI) dropped half of a per cent from August**. BC's rate was slightly higher than the overall Canadian inflation rate of 0.7%. Alberta was the only province to experience an increase from August to September (+0.2%) and had by far the highest year-over-year rate of inflation at 3.7%.

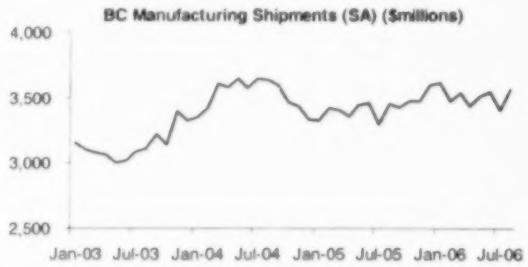
  The higher cost of food (+2.4%) and shelter (+2.7%) are significant contributors to BC's overall inflation rate; however, the cost of energy, which was at one point a main driver of inflation, is now helping moderate the overall rate. Year-over-year energy costs are down 5.8% and the falling price of gasoline (-11.9%) is the main reason why transportation costs have dipped (-0.6%). At 1.7%, the September inflation rate excluding energy products was actually higher than the overall rate.

  The inflation rate was 1.4% in Vancouver, while in Victoria, the cost of goods and services climbed only 0.7%.

  Data Source: Statistics Canada

- **Shipments of goods manufactured in British Columbia rose 4.8% (*seasonally adjusted*) in August recovering from a 3.9% slip in the previous month.** The increase in the value of shipments was largely due to an upturn in non-durable goods (+7.7%), which was driven by substantial growth in the dominant paper industry (+17.8%). Shipments of food (+2.2%), chemicals (+5.2%) and plastics and rubber products (+7.1%) were also up. On the durables side, a 1.4% decrease in shipments by producers of wood products was offset by increased shipments by the primary metals (+19.8%) and fabricated metals (+3.1%) industries, the second and third largest manufacturers of durable goods in BC. Manufacturers of transportation equipment (+16.6%) also saw their shipments rise but other manufacturers of durable goods, such as machinery (-4.1%) and furniture and related products (-4.3%) did not fare as well. Overall shipments of durables were up 2.6%.

  Data Source: Statistics Canada



- **Wholesale sales jumped 5.9% (seasonally adjusted) in August, posting the third gain in four months.** Nationally, the value of wholesale sales edged up 0.5%, as gains in a wide range of sectors were able to offset a retraction in the automotive sector (-7.4%). Higher sales in most provinces outweighed weakness in Ontario (-1.7%) and Nova Scotia (-0.3%). Eight provinces saw growth, ranging fro 1.0% in Alberta to a solid 11.7% in Saskatchewan. *Data Source: Statistics Canada*

MONTHLY STATISTICS

	UNITS	REFERENCE PERIOD	CURRENT			MONTHLY AVERAGE YEAR-TO-DATE	
			LATEST MONTH	% CHANGE FROM LAST MONTH	% CHANGE FROM YEAR AGO	AMOUNT	% CHANGE FROM YEAR AGO
PRICES							
Consumer Price Index-BC	1992=100	Sep '06	127.8	-0.5	1.0	127.3	1.8
Consumer Price Index-Vancouver	1992=100	Sep '06	128.5	-0.4	1.4	127.8	1.8
Consumer Price Index-Victoria	1992=100	Sep '06	127.7	-0.5	0.7	127.3	1.7
Consumer Price Index-Canada	1992=100	Sep '06	130.0	-0.5	0.7	129.9	2.2
Consumer Price Index-USA	1982-84=100	Sep '06	202.9	-0.5	2.1	201.6	3.7
Industry Price Index-Canada	1997=100	Aug '06	115.2	-0.5	3.6	113.6	2.5
LABOUR							
Unemployment Rate (SA)*-BC	Percent	Sep '06	4.8	(4.8)	(5.6)	4.7	(6.1)
Unemployment Rate (SA)-Canada	Percent	Sep '06	6.4	(6.5)	(6.7)	6.4	(6.9)
Unemployment Rate (SA)-USA	Percent	Sep '06	4.6	(4.7)	(5.1)	4.7	(5.1)
Unemployed (SA)-BC	Thousand	Sep '06	111.1	0.3	-12.7	107.5	-22.5
Employed (SA)-BC	Thousand	Sep '06	2,200.7	0.3	3.2	2,188.9	3.3
Labour Force (SA)-BC	Thousand	Sep '06	2,311.8	0.3	2.3	2,296.3	1.7
Participation Rate (SA)-BC	Percent	Sep '06	65.6	(65.5)	(65.3)	65.5	(65.7)
Regular EI Benefits Paid	$Million	Aug '06	58.8	7.4	-22.8	64.4	-14.4
Regular EI Beneficiaries	Persons	Aug '06	43,570	22.6	-15.9	46,933	-17.2
Average Weekly Wage Rate-BC	Dollars	Sep '06	730.10	0.3	2.9	722.23	2.8
Wages and Salaries-BC (SA)	$Million	Jun '06	6,608.0	-1.1	7.1	6,535.1	7.9
Fixed-Weighted Earnings Index-BC	1996=100	Jul '06	117.4	-0.8	0.3	117.7	1.8
PRODUCTION-B.C.							
Lumber-Cubic Metres	Thousand	Jul '06	3,516.3	4.7	0.0	3,568.1	2.2
Market Pulp Shipments-Tonnes	Thousand	Aug '06	402	5.5	-12.8	402	1.3
Newsprint Shipments-Tonnes	Thousand	Aug '06	95	18.8	0.0	89	2.7
Other Paper Shipments-Tonnes	Thousand	Aug '06	169	3.0	0.6	164	6.8
Oil-Cubic Metres	Thousand	Jun '06	138.7	-2.9	-1.8	136.5	-10.0
Natural Gas-Cubic Metres	Million	Apr '06	2,937.8	4.7	8.9	2,738.4	7.5
Electric Power Generated	GW.h	Jul '06	5,584.1	21.3	-6.3	5,050.0	-4.3
Manufacturing Shipments (SA)	$Million	Aug '06	3,566.6	4.8	3.4	3,510.8	3.4
GENERAL							
Housing Starts-All Areas BC(SAAR)**	Thousand	Sep '06	33.9	1.5	-13.7	36.9	9.2
Housing Starts-USA (SAAR)**	Thousand	Sep '06	1,772.0	5.9	-17.9	1,910.0	-8.1
Building Permits-BC (SA)	$Million	Aug '06	960.8	5.8	3.9	918.9	12.1
Residential-BC (SA)	$Million	Aug '06	649.0	11.4	3.3	608.1	12.9
Non-Residential-BC (SA)	$Million	Aug '06	311.9	-4.1	5.3	310.8	10.8
Retail Sales (NAICS) (SA)-BC	$Million	Aug '06	4,536.2	1.0	5.8	4,420.1	7.0
Wholesale Trade (NAICS) (SA)-BC	$Million	Aug '06	4,439.5	5.9	10.1	4,223.3	9.1
Tourism Room Revenues (SA)-BC	$Thousand	Jun '06	156,590	1.9	13.1	148,260	7.9
Business Bankruptcies-BC	Number	Aug '06	32	-13.5	-57.9	52	-21.9
Consumer Bankruptcies-BC	Number	Aug '06	577	19.2	-10.8	611	-13.7
Incorporations-BC	Number	Sep '06	2,517	0.0	4.1	2,593	9.7
Exports Originating in BC (SA)	$Million	Aug '06	2,697.4	-1.9	-9.5	2,811.0	2.6

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*SA indicates seasonal adjustment.

**SAAR indicates seasonally adjusted at annual rates.

Brackets () indicate that rates are shown instead of percentage changes.

ANNUAL STATISTICS

	UNITS	YEAR 2005	YEAR 2004	YEAR 2003	PERCENT CHANGE 2004-2005	PERCENT CHANGE 2003-20
PRICES						
Consumer Price Index-BC	1992=100	125.3	122.8	120.4	2.0	2.0
Consumer Price Index-Vancouver	1992=100	125.7	123.4	121.0	1.9	2.0
Consumer Price Index-Victoria	1992=100	125.5	122.8	120.0	2.2	2.3
Consumer Price Index-Canada	1992=100	127.3	124.6	122.3	2.2	1.9
Consumer Price Index-USA*	1982-84=100	195.3	188.9	184.0	3.4	2.7
Industry Price Index-Canada*	1997=100	111.2	109.5	106.2	1.6	3.1
LABOUR						
Unemployment Rate-BC	Percent	5.9	7.2	8.0		
Unemployment Rate-Canada	Percent	6.8	7.2	7.6		
Unemployment Rate-USA*	Percent	5.1	5.5	6.0		
Unemployed-BC	Thousand	132.9	159.2	176.0	-16.5	-9.5
Employed-BC	Thousand	2,130.5	2,062.7	2,014.7	3.3	2.4
Labour Force-BC	Thousand	2,263.4	2,221.9	2,190.7	1.9	1.4
Participation Rate-BC	Percent	65.6	65.5	65.6		
Total EI Benefits Paid-BC*	$Million	1,650.3	1,764.0	1,831.3	-6.4	-3.7
Regular EI Benefits Paid-BC*	$Million	837.4	960.4	1,059.5	-12.8	-9.4
Average Weekly Wage Rate-BC	Dollars	704.49	686.74	683.68	2.6	0.4
Wages and Salaries-BC*	$Million	73,916.0	69,365.6	65,310.1	6.6	6.2
Fixed-Weighted Earnings Index-BC*	1996=100	115.9	112.9	108.5	2.7	4.1
PRODUCTION-B.C.						
Lumber-Cubic Metres*	Thousand	41,012.9	39,879.3	36,030.9	2.8	10.
Market Pulp Shipments-Tonnes*	Thousand	4,932	4,724	4,762	4.4	-0
Newsprint Shipments-Tonnes*	Thousand	1,076	1,135	1,186	-5.2	-4.3
Other Paper Shipments-Tonnes*	Thousand	1,877	1,841	1,733	2.0	6.2
Coal-Tonnes*	Thousand	25,571.0	27,082.0	23,061.0	-5.6	17.4
Oil-Cubic Metres*	Thousand	1,765.7	2,019.0	2,168.2	-12.5	-6.9
Natural Gas-Cubic Metres*	Million	31,892.8	31,201.3	29,483.4	2.2	5.8
Electric Power Generated*	GW.h	67,627.3	60,495.6	63,050.9	11.8	-4.1
Solid Mineral Shipments	$Million	4,862.9	3,674.5	2,926.5	32.3	25.6
Farm Cash Receipts**	$Million	2,410.9	2,415.0	2,285.2	-0.2	5.7
Manufacturing Shipments*	$Million	41,139.8	42,303.5	37,720.3	-2.8	12.2
GENERAL						
Housing Starts-All Areas BC**	Thousand	34.7	32.9	26.2	5.3	25.8
Housing Starts-USA	Thousand	2,068.3	1,955.8	1,847.7	5.8	5.9
Building Permits-BC*	$Million	10,191.1	7,938.7	6,394.2	28.4	24.2
Residential-BC*	$Million	6,979.0	5,868.9	4,514.2	18.9	30.0
Non-Residential-BC*	$Million	3,212.1	2,069.8	1,880.1	55.2	10.1
Retail Sales (NAICS)-BC*	$Million	49,914.5	47,216.6	44,421.0	5.7	6.3
Wholesale Trade (NAICS)-BC*	$Million	47,277.0	43,521.2	39,658.9	8.6	9.7
Tourism Room Revenues-BC*	$Thousand	1,690.1	1,592.2	1,486.7	6.2	7.1
Business Bankruptcies-BC	Number	786	922	1,002	-14.8	-8.0
Consumer Bankruptcies-BC	Number	8,173	8,378	9,385	-2.4	-10.7
Incorporations-BC*	Number	28,593	25,428	23,243	12.4	9.4
Exports Originating in BC*	$Million	34,064.0	30,977.6	28,189.3	10.0	9.9
Capital Expenditures-BC	$Million	32,256.7	29,664.7	25,434.1	8.7	16.6
Population-BC (as of July 1)	Thousand	4,257,833	4,203,315	4,155,370	1.3	1.

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* derived from monthly figures

**derived from quarterly figures

ECONOMIC PERFORMANCE

GROSS DOMESTIC PRODUCT ($ MILLIONS)

	YEAR				PERCENT CHANGE		
	2005	2004	2003	2002	04-05	03-04	02-03
BRITISH COLUMBIA							
Gross Domestic Product at Market Prices	168,011	157,241	145,948	138,252	6.8	7.7	5.6
Real Gross Domestic Product (chained 1997 $)	144,028	139,205	133,888	130,324	3.5	4.0	2.7
CANADA							
Gross Domestic Product at Market Prices	1,368,726	1,290,185	1,216,191	1,154,204	6.1	6.1	5.4
Real GDP at Market Prices (chained 1997 $)	1,157,446	1,124,428	1,092,388	1,070,789	2.9	2.9	2.0
UNITED STATES (Billions $US) **							
Gross Domestic Product at Market Prices	12,455.8	11,712.5	10,960.8	10,469.6	6.3	6.9	4.7
Real GDP at Market Prices (chained 2000 $US)	11,048.6	10,703.5	10,301.0	10,048.8	3.2	3.9	2.5

*** US Department of Commerce (actual)*

INTEREST AND EXCHANGE RATES

(Source: Bank of Canada Weekly Financial Statistics)

	Oct. 25/06	Oct. 18/06	Sept. 27/06	Oct. 26/05
	PERCENT PER ANNUM			
CANADA				
Prime Business Rate	6.00	6.00	6.00	4.75
Bank Rate	4.50	4.50	4.50	3.25
Long-Term Government Bond Rate (over 10 yrs)		4.23	4.08	4.38
Conventional Mortgages - 1 Year		6.40	6.40	5.25
- 5 Years		6.60	6.70	3.00
UNITED STATES				
Prime Rate	8.25	8.25	8.25	6.75
EXCHANGE RATES (average noon)	CANADIAN $			
US Dollar	1.1248	1.1374	1.1168	1.1795
Japanese Yen	0.0094	0.0095	0.0096	0.0102
British Pound	2.1114	2.1182	2.1174	2.0929
Euro	1.4161	1.4247	1.4219	1.4180

FORECASTS

	2006			2007		
	REAL GDP % CHG	UNEMP RATE %	CPI % CHG	REAL GDP % CHG	UNEMP RATE %	CPI % CHG
BRITISH COLUMBIA						
B.C. Government (September 2006, First Quarter Report)	3.6	4.8	2.0	3.1	5.1	2.0
Credit Union Central BC (October 2006)	4.2	4.4	1.8	4.0	3.6	1.9
Conference Board of Canada (July 2006)	3.6	4.9	1.9	3.1	5.2	1.9
Scotia Economics (September 11, 2006)	4.0	4.6	na	3.6	4.2	na
TD Bank (September 28, 2006)	4.0	4.6	2.0	3.0	5.3	1.8
CIBC WM Economics (February 9, 2006)	4.1	5.2	1.7	3.4	4.8	2.0
Global Insight (April 2006)	3.7	5.3	1.7	3.1	5.2	1.9
CANADA						
TD Bank (June 14, 2006)	3.0	6.4	1.8	2.7	6.6	1.2
CIBC WM Economics (September 7, 2006)	2.9	6.3	2.2	2.6	6.4	2.2
Global Insight (September 2006)	2.9	6.3	2.1	2.6	6.4	1.5
UNITED STATES						
TD Bank (June 14, 2006)	3.2	4.9	3.6	2.6	5.5	2.1
CIBC WM Economics (September 7, 2006)	3.4	4.7	3.7	2.3	5.1	3.1
Global Insight (September 2006)	3.3	4.8	2.4	2.4	5.0	1.7